



## **This document has been provided by the International Center for Not-for-Profit Law (ICNL).**

ICNL is the leading source for information on the legal environment for civil society and public participation. Since 1992, ICNL has served as a resource to civil society leaders, government officials, and the donor community in over 90 countries.

Visit ICNL's **Online Library** at  
<http://www.icnl.org/knowledge/library/index.htm>  
for further resources and research from countries all over the world.

### Disclaimers

**Content.** The information provided herein is for general informational and educational purposes only. It is not intended and should not be construed to constitute legal advice. The information contained herein may not be applicable in all situations and may not, after the date of its presentation, even reflect the most current authority. Nothing contained herein should be relied or acted upon without the benefit of legal advice based upon the particular facts and circumstances presented, and nothing herein should be construed otherwise.

**Translations.** Translations by ICNL of any materials into other languages are intended solely as a convenience. Translation accuracy is not guaranteed nor implied. If any questions arise related to the accuracy of a translation, please refer to the original language official version of the document. Any discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes.

**Warranty and Limitation of Liability.** Although ICNL uses reasonable efforts to include accurate and up-to-date information herein, ICNL makes no warranties or representations of any kind as to its accuracy, currency or completeness. You agree that access to and use of this document and the content thereof is at your own risk. ICNL disclaims all warranties of any kind, express or implied. Neither ICNL nor any party involved in creating, producing or delivering this document shall be liable for any damages whatsoever arising out of access to, use of or inability to use this document, or any errors or omissions in the content thereof.

Adopted on October 8, 2002

## **THE LAW OF THE REPUBLIC OF ARMENIA ON CHARITY**

### **Chapter I. General Provisions**

#### **Article 1. Sphere of Application of the Law**

This law regulates the relations, that arise in the process of charity implementation, defines the legal bases for charity regulation, goals of charity, principles of implementation, forms of promoting charity by the State, peculiarities of the activities of charitable organizations.

#### **Article 2. Goals of Charity**

##### **1. The goals of charity are as follows:**

- 1) To support those natural persons (people with disabilities, orphan children, the unemployed), as well as poor families, who cannot provide themselves for their material and spiritual needs;
- 2) To support other non-commercial organizations;
- 3) To provide material assistance to victims of wars, natural disasters, infectious diseases, epidemics and other states of emergencies and participate in the elimination of the consequences thereof;
- 4) Through creation of working places or trainings of the unemployed to assist the needy unemployed to land jobs;
- 5) To support the implementation of programs in the fields of science, education, art, literature, healthcare, sport and physical training;
- 6) To support the implementation of programs aimed at the preservation and restoration of monuments of history, architecture, culture and art;
- 7) To support the implementation of programs aimed at the protection and improvement of nature and environment;
- 8) To support the implementation of social programs approved by the Government of the Republic of Armenia.

#### **Article 3. Concept of Charity**

1. Charity is the voluntary, disinterested, and permitted by the law provision (gratuitously or on preferential terms) of material and spiritual assistance (hereof charitable assistance) to natural persons

and non-commercial organizations by natural and legal persons, for the accomplishment of goals specified in Article 2 of this law.

2. Monetary and other material means provided to political parties and commercial organizations shall not be considered as Charity.

#### **Article 4. Legal Regulation of Charity**

Charity in the Republic of Armenia is regulated by the RA Constitution, the RA Civil Code, this law, other legislative acts, as well as the RA International Agreements.

#### **Article 5. Principles of Charity Implementation**

The principles of charity implementation are as follows:

- 1) Maintaining social justice,
- 2) Disseminating and fostering principles of humanism,
- 3) Maintaining human dignity,
- 4) Strengthen cohesion of generations,
- 5) Maintaining targeted social policy,
- 6) Elimination of social dependence,
- 7) Exclusion of ethnic discrimination.

#### **Article 6. Right on Charity Implementation**

1. Natural and legal persons may carry out charitable activities based on the principles of voluntarism and free choice of goals, individually or jointly, personally or through mediation.

2. It is prohibited to put restrictions on the choice of goals of charity stipulated by this law and implementation means.

### **Chapter II. Participants of Charity**

#### **Article 7. Participants of Charity**

The participants of charity are the benefactor, the volunteers, and the recipients of charity (beneficiaries). Charitable organizations may serve both as benefactors and as beneficiaries.

The Republic of Armenia and its communities may also serve as participants (beneficiaries, benefactors) of charity.

#### **Article 8. Benefactors**

Benefactors are those natural and legal persons who carry out charity in pursuance of the goals set forth by Article 2 of this law.

#### **Article 9. Volunteers**

Volunteers are those natural persons, who gratuitously perform works for the benefit of the recipients of charity based on the goals of this law.

#### **Article 10. Recipients of Charity**

Recipients of charity are those natural and legal persons, who receive charitable assistance upon their agreement.

### **Chapter III. Charitable Organizations; Peculiarities of their Creation and Activities**

#### **Article 11. Charitable Organizations**

1. Charitable organizations are those non-commercial organizations that carry out charitable assistance stipulated by this law.
2. The name of the charitable organization shall include the word "charitable".
3. Charitable organizations shall be established in the forms of public unions, foundations, as well as other forms envisaged by the law.
4. Public administration and local self-governance bodies may not serve as founders of charitable organizations.

#### **Article 12. Peculiarities of Usage of Property of Charitable Organizations**

1. Charitable organizations shall not accept any property as donation on condition of using it for the benefit of the donor.
2. The charitable organization, for the remuneration of its staff and for administrative expenses, may use up to 20% of all the profit gained by the organization during a fiscal year, with the exception of donations, for which the benefactor has set forth other conditions.
3. Not less than 80% of monetary donations and endowments shall be used within a period of one year, from the moment of receiving this assistance, unless the donor or the charitable program have stipulated otherwise. In-kind donations and endowments are fully allocated for the accomplishment of their charitable purposes before their expiration dates, but not later than in a course of one year after receiving them, unless the donor or the charitable program have stipulated otherwise.

In case if the charitable organization does not use the monetary and in-kind donations and endowments within the fixed period of time, the dates for their usage may be extended by the authorized body up to 6 months.

The dates for the usage of in-kind donations and endowments may be extended within the dates of their expiration.

In case if monetary and in-kind donations and endowments are not used within the fixed period of time, they may be confiscated through court decision. Goods imported to the Republic of Armenia for charitable purposes shall be reassessed in the manner stipulated by the RA Government.

### **Article 13. The Charitable Program**

1. The charitable program, is the description of measures, to be carried out by a non commercial organization, aimed at solving certain problems, in accordance with the goals set forth by this law, and approved in accordance with the manner stipulated by the charter of a given organization.

2. The authorized body shall qualify and register as charitable the programs aimed at achieving the charitable goals set forth by this law.

3. The organization presenting a program may appeal in the court the decision of the authorized body to reject qualifying and registering the program as a charitable one.

4. The goals of the program, the planned measures, the performers and the recipients are described in the charitable program. The program also includes the preliminary calculations of anticipated inputs and expenditures, and defines the stages and dates of program implementation.

5. For financing charitable programs, no less than 80% of income earned during a fiscal year for these purposes, must be used. When implementing long-term (more than one year) charitable programs, the received funds shall be used according to the dates envisaged by the program.

### **Article 14. Charitable Expenditures**

1. Charitable expenditures shall be referred to expenses associated with implementation of charitable programs, with the activities of volunteers, as well as with management overheads.

2. Management overheads shall be referred to expenses associated with remuneration of staff participating in implementation of the charitable programs; expenses associated with providing necessary material and technical resources to charitable organizations; travel allowances; funds spent for publishing information and reports regarding the activities of the charitable organization.

## **Chapter IV. State Guarantees on Charity**

### **Article 15. Encouragement of Charity**

In order to encourage the activities of benefactors and volunteers in the Republic of Armenia the President of RA shall award the following titles:

1. Honorable Benefactor of RA.
2. Honorable Volunteer of RA
3. Benefactor of the year of RA
4. Volunteer of the year of RA

The title “Benefactor of the Year of RA” shall be awarded to the benefactor, who, for the accomplishment of charitable purposes, during a given year has provided charitable assistance in the value equaling or exceeding the fixed minimal salary of RA by a factor of 1000 (thousand), and which has the highest value among assistance provided by other benefactors for that year.

The title “Honorable Benefactor of RA” shall be conferred upon a benefactor, who for the accomplishment of charitable goals, has been recognized as the Benefactor of the Year for five year in succession.

The title “Volunteer of the Year of RA” shall be conferred upon the natural person who has worked as a volunteer for more than 365 hours during a year, and who at the same time has worked voluntarily for more hours than any other volunteer during that year.

The title of “Honorable Volunteer of RA” shall be conferred upon the natural person who has been recognized as the “Volunteer of the Year” for five years in succession.

The RA Government shall determine the procedure on appraisal of charitable assistance of benefactors and the calculation of the volume of dedicated works performed by the volunteers.

The Authorized Body may apply other incentives in accordance with the procedures established by the RA Government.

### **Article 16. Assistance to Charitable Programs and Charitable Organizations**

1. Benefits on taxes, duties, obligatory payments are granted to programs, which are qualified as charitable ones by the authorized body in the manner stipulated by the law.

2. Charitable organizations may be provided with material-technical as well as monetary assistance in accordance with the decision of the RA Government or corresponding Community Council (this may include granting partial or complete exemption from payment of fees for services rendered by state or community organizations, and from paying rent for using state or community property).

### **Article 17. State Protection of Charity**

1. The Republic of Armenia guarantees and ensures the protection of legal rights and lawful interests of participants of charity, stipulated by this law and other legal acts.
2. Officials and other persons hampering the charity implementation rights of legal and natural persons shall bear responsibility in the manner stipulated by the law.

## **Chapter V. Supervision and Responsibility of Charity Implementation**

### **Article 18. Oversight on Charity Implementation**

1. The Authorized Body shall perform monitoring on compliance of activities of the charitable organizations with the requirements of this law. Charitable organization shall submit to the Authorized Body a yearly report on its activities, which shall include information regarding:

- 1) Usage of organization's property and spending of resources;
- 2) Financial activities guarantying compliance with the requirements of this law;
- 3) The governing supreme body;
- 4) The contents of the charitable program;
- 5) Results of the organization's activities;
- 6) Violations revealed during check-ups carried out by competent bodies and measures taken for eliminating them.

The Authorized Body, when discovering signs of violations based on the examination of documents submitted to it, shall appeal to the competent bodies with a petition to carry out a check-up.

2. Charitable organizations shall submit their annual reports to the Authorized Body and the Tax Department in compliance with the terms stipulated by the law regarding the submission of accounting registration reports.

3. Charitable organizations shall publish their financial statements and information regarding the process of implementation of charitable programs at the end of each year within three month, by Mass Media means.

4. Information on the structure of charitable organization, income, property, expenditures, number of staff, remuneration rate and involvement of volunteers shall not be considered as a commercial secret.

### **Article 19. Liability of Charitable Organizations**

1. In case of carrying out activities that contradict the goals stipulated by this law, the Authorized Body shall warn the charitable organization in writing.

2. The Authorized Body may invalidate the state qualification and registration of the charitable program(s) as such, in case if the charitable organization has received more than one written warning during a year, as well as if in the course of the implementation of the charitable program significant violations of law have been discovered.

3. Taxes and other obligatory dues of the charitable organization which have not been paid as a result of submitting false information about its activities, are subject to confiscation according to the procedures stipulated by the legislation of the Republic of Armenia.

4. The charitable organization may appeal in the court the actions of the authorized body stipulated by this article.

## **Chapter VI. International Charity**

### **Article 20. Carrying Out International Charity**

1. Benefactors have the right to carry out international charity.

2. International charity shall be carried out through creation and participation in international charitable programs, through involvement in the activities of international charitable organizations, through cooperation in the corresponding charitable field with foreign partners, especially with partners from Armenian Diaspora, if this does not contradict with the RA legislation and with the RA International Treaties.

### **Article 21. Charity Carried Out by Foreign Citizens, Individuals Having no Citizenship, Foreign and International Organizations in the Republic of Armenia**

Foreign citizens, individuals having no citizenship, foreign and international organizations are entitled to act as participants of charity as stipulated by this law.

## **Chapter VII. Concluding provision**

### **Article 22. Entering Into Force of This Law**

1. This law enters into force after three months from the moment of its official publication.

**November 8, 2002**